

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1607 – HB 1552

February 5, 2018

SUMMARY OF ORIGINAL BILL: Authorizes the Motor Vehicle Commission (MVC) to revoke or suspend the license of a dealer or salesperson who fails to maintain a record of a customer's motor vehicle liability insurance coverage or proof of financial responsibility whenever a temporary license plate is issued to a customer. Requires the record to be maintained in same manner or period of time as record of issuance of temporary license plates.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012727): Adds language to the original bill to clarify that the dealer or salesperson who issued the temporary license plate is a motor vehicle dealer who finances the sale of used motor vehicles and retains the title to such vehicles.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Authorizing the MVC to revoke or suspend the license of a dealer or salesperson who fails to maintain a record of a customer's motor vehicle liability insurance coverage or proof of financial responsibility will have no significant impact to the MVC.
- Pursuant to the Commission Rule 0960-01-.14, biennial license fees of \$400 and \$35 are imposed on motor vehicle dealers and motor vehicle salespersons, respectively. There will not be a significant number of license revocations or suspensions to result in a significant decrease in fee revenue to the MVC.
- Any increase in consumer complaints or inspection violations due to failing to maintain this new record requirement is estimated to be not significant and can be handled within existing resources of the MVC.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two- year period. The MVC experienced a deficit of \$265,344 in

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FY15-16, a surplus of \$221,695 in FY16-17, and had a cumulative reserve balance of \$2,196,368 on June 30, 2017.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh